which would give Germany Colonies adequate to her population and economic interest.

Restitution of those parts of France occupied by Germany under reservation of strategical and economic changes of the frontier and financial compensations.

Restoration of Belgium under special guaranty for the safety of Germany which would have to be decided on by negotiations with Belgium.

Economic and financial mutual compensation on the basis of the exchange of territories conquered and to be restituted at the conclusion of peace.

Compensation for the German business concerns and private persons who suffered by the War. Abandonment of all economic agreements and measures which would form an obstacle to normal commerce and intercourse after the conclusion of peace, and instead of such agreements reasonable treaties of commerce.

The freedom of the seas.'

The peace terms of our Allies run on the same lines.

My Government further agrees, after the War has been terminated, to enter into the proposed second international conference on the basis of the President's message to the Senate.

My Government would have been glad to postpone the submarine blockade, if they had been able to do so. This, however, was

Submarine ite impossible on account of the *warfare* x A , . . - - . *announced* preparations, which could not be cancelled. My Government believes that the submarine blockade will terminate the War very quickly. In the meantime my Government